

**United States Department of the Interior  
Bureau of Land Management**

DIV OF LANDS & MINERALS  
P.O. BOX 45155 ATTN: ACCOUNTS  
SALT LAKE CITY, UT 84145  
Phone: (801) 539-4001

|         |         |
|---------|---------|
| Receipt |         |
| No:     | 1470308 |

|   |
|---|
| <b>Transaction #: 1519725</b>   |
| <b>Date of Transaction: 05/15/2012</b>  |
| CUSTOMER: B.C. DISCOVERY COMPANY<br>15 DINOSAUR WAY<br>STONE AGE, AMERICA 00001 |

| LINE # | QTY  | DESCRIPTION  | REMARKS | UNIT PRICE | TOTAL |
|--------|------|--|---------|------------|-------|
| 1      | 1.00 | OIL & GAS / TRANSFER OPERATING RIGHTS / 10/01/2009 PROCESSING FEE<br><b>CASES: UTU123456/\$85.00</b> |         | - n/a -    | 85.00 |

|               |    |       |
|---------------|----|-------|
| <b>TOTAL:</b> | \$ | 85.00 |
|---------------|----|-------|

| PAYMENT INFORMATION |           |   |                       |
|---------------------|-----------|---|-----------------------|
| 1                   | AMOUNT:   | \$ 85.00  | POSTMARKED: 5/12/2012 |
|                     | TYPE:     | CHECK   | RECEIVED: 5/12/2012   |
|                     | CHECK NO: | 20256   |                       |
|                     | NAME:     | B.C. DISCOVERY COMPANY<br>15 DINOSAUR WAY<br>STONE AGE, AMERICA 00001 |                       |

|         |
|---------|
| REMARKS |
|         |

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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0034  
Expires: July 31, 2015  
Lease Serial No.

**TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A  
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES**

UTU123456

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)  
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)  
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)  
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

**Type or print plainly in ink and sign in ink.**

**PART A: TRANSFER**

1. Transferee (Sublessee)\* B.C. Discovery Company  
Street 15 Dinosaur Way  
City, State, Zip Code Stone Age, America 00001  
1a. Transferor Peter's Oil Company

\*If more than one transferee, check here  and list the name(s) and address(es) of all additional transferees on page 2 of this form or on a separate attached sheet of paper.

This transfer is for: (Check one)  Oil and Gas Lease, or  Geothermal Lease

Interest conveyed: (Check one or both, as appropriate)  Operating Rights (sublease)  Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

| Land Description<br><small>Additional space on page 2, if needed. Do not submit documents or agreements other than this form, such documents or agreements shall only be referenced herein.</small> | Percent of Interest |          |          | Percent of Overriding Royalty Similar Interests |                                 |
|---|---------------------|----------|----------|---|---------------------------------|
|   | Owned               | Conveyed | Retained | Reserved  | Previously reserved or conveyed |
| a   | b                   | c        | d        | e   | f                               |
| Township 12 South, Range 28 East, SLB&M, Thompson County<br>Sec. 17: S2;<br>Sec. 18: SE;<br>Sec. 19: E2, NESW;<br>Sec. 20: All.   | 100%                | 50%      | 50%      | 0%  | 0%                              |

UTAH STATE OFFICE  
RECEIVED

MAY 15 2012 AM 10:00

DEPT OF INTERIOR  
BUR OF LAND MGMT

**FOR BLM USE ONLY – DO NOT WRITE BELOW THIS LINE**  
UNITED STATES OF AMERICA

This transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

Transfer approved effective \_\_\_\_\_

By \_\_\_\_\_ (Title) \_\_\_\_\_ (Date)  
Bureau of Land Management (BLM)

**PART B – CERTIFICATION AND REQUEST FOR APPROVAL**

- 1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
2. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPR-A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations; (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, if this is an oil and gas lease issued in accordance with the Minerals Leasing Act of 1920, or 51,200 acres in any one State if this is a geothermal lease; (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.
3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this assignment is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 8th day of May 20 12

Executed this 10 day of May 20 12

Name of Transferor as shown on current lease Peter's Oil Company

(Please type or print)

Transferor Peter Piper (Signature)

Transferee B. C. Hart (Signature)

or President (Title)

or President (Title)

Attorney-in-fact (Signature)

Attorney-in-fact (Signature)

25 Cave Drive (Transferor's Address)

Stone Age (City) America (State) 00002 (Zip Code)

Title U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Serial Number

OFFER TO LEASE AND LEASE FOR OIL AND GAS

UTU123456

The undersigned (page 2) offers to lease all or any of the lands in Item 2 that are available for lease pursuant to the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 et seq.), the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351-359),  
or \_\_\_\_\_ (other).

READ INSTRUCTIONS BEFORE COMPLETING

1. Name Peter's Oil Company  
Street 25 Cave Drive  
City, State, Zip Code Stone Age, US 00002

2. This application/offer/lease is for: (Check only One)  PUBLIC DOMAIN LANDS  ACQUIRED LANDS (percent U.S. interest \_\_\_\_\_)

Surface managing agency if other than Bureau of Land Management: \_\_\_\_\_ Unit/Project \_\_\_\_\_

Legal description of land requested: \*Parcel No.: 005 \*Sale Date (mm/dd/yyyy): 01/29/2012

\*See Item 2 In Instructions below prior to completing Parcel Number and Sale Date.

T. R. Meridian State County

Amount remitted: Filing fee \$ \_\_\_\_\_ Rental fee \$ \_\_\_\_\_ Total acres applied for \_\_\_\_\_  
Total \$ \_\_\_\_\_

DO NOT WRITE BELOW THIS LINE

3. Land included in lease:

T. 12 South R. 28 East Meridian Salt Lake State Utah County Thompson

Sec. 17: S2;  
Sec. 18: SE;  
Sec. 19: E2, NESW;  
Sec. 20: All.

Total acres in lease 1,480.00

Rental retained \$ 2,220.00

This lease is issued granting the exclusive right to drill for, mine, extract, remove and dispose of all the oil and gas (except helium) in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon for the term indicated below, subject to renewal or extension in accordance with the appropriate leasing authority. Rights granted are subject to applicable laws, the terms, conditions, and attached stipulations of this lease, the Secretary of the Interior's regulations and formal orders in effect as of lease issuance, and to regulations and formal orders hereafter promulgated when not inconsistent with lease rights granted or specific provisions of this lease.

NOTE: This lease is issued to the high bidder pursuant to his/her duly executed bid or nomination form submitted under 43 CFR 3120 and is subject to the provisions of that bid or nomination and those specified on this form.

Type and primary term of lease: THE UNITED STATES OF AMERICA

Noncompetitive lease (ten years)

by General Judy Snaptoit

(BLM)

Competitive lease (ten years)

Authorized Officer February 22, 2012

(Title) (Date)

Other \_\_\_\_\_ EFFECTIVE DATE OF LEASE March 1, 2012

**BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
SERIAL REGISTER PAGE**

|  |                         |                      |
|--|-------------------------|----------------------|
| <b>01 12-22-1987; 101STAT1330; 30USC181 ET SEC</b> | <b>Total Acres</b>      | <b>Serial Number</b> |
| <b>Case Type 312021: O&amp;G LSE COMP PD -1987</b> | <b>1,480.00</b>         | <b>UTU123456</b>     |
| <b>Commodity 459: OIL &amp; GAS L</b>              |                         |                      |
| <b>Case Disposition: AUTHORIZED</b>                | <b>Case File Juris:</b> |                      |

| <b>NAME &amp; ADDRESS</b>   | <b>Int Rel</b> | <b>%Interest</b> |
|---|----------------|------------------|
| Peter's Oil Co                      25 Cave Drive                      Stone Age, America 00001 | RECORD TITLE   | 100.000000       |

| <b>Mer</b> | <b>Twp</b> | <b>Rng</b> | <b>Sec</b> | <b>Stype</b> | <b>Nr</b> | <b>Suff</b> | <b>Subdivision</b> | <b>District/Resource Area</b> | <b>County</b> | <b>Mgmt Agency</b>  |
|------------|------------|------------|------------|--------------|-----------|-------------|--------------------|-------------------------------|---------------|---------------------|
| 26         | 0120S      | 0280E      | 017        | ALIQ         |           |             | S2;                | DINOSAUR                      | THOMPSON      | BUREAU OF LAND MGMT |
| 26         | 0120S      | 0280E      | 018        | ALIQ         |           |             | SE;                | DINOSAUR                      | THOMPSON      | BUREAU OF LAND MGMT |
| 26         | 0120S      | 0280E      | 019        | ALIQ         |           |             | E2,NESW;           | DINOSAUR                      | THOMPSON      | BUREAU OF LAND MGMT |
| 26         | 0120S      | 0280E      | 020        | ALIQ         |           |             | ALL;               | DINOSAUR                      | THOMPSON      | BUREAU OF LAND MGMT |

| <b>Act Date</b> | <b>Code</b> | <b>Action</b>       | <b>ACTION REMARKS</b> | <b>Pending Office</b> |
|-----------------|-------------|---------------------|-----------------------|-----------------------|
| 10/28/2011      | 387         | CASE ESTABLISHED    | #005;                 |                       |
| 01/29/2012      | 191         | SALE HELD           |                       |                       |
| 01/29/2012      | 267         | BID RECEIVED        | \$37740;              |                       |
| 02/22/2012      | 237         | LEASE ISSUED        |                       |                       |
| 03/01/2012      | 496         | FUND CODE           | 05;145003             |                       |
| 03/01/2012      | 530         | RLTY RATE - 12 1/2% |                       |                       |
| 03/01/2012      | 868         | EFFECTIVE DATE      |                       |                       |
| 02/28/2022      | 763         | EXPIRES             |                       |                       |

| <b>Line Nr.</b> | <b>Remarks</b> |
|-----------------|----------------|
|-----------------|----------------|

## OPERATING RIGHTS TRANSFER CHECKLIST

|  |  |
|--|--|
|  | Acceptable Form 3000-3a – Operating Rights (June 1988 and later) filed in triplicate   |
|  | Verify that the Filing Fee has been paid   |
|  | Verify that the Transferor has manually signed and dated all three forms   |
|  | Verify that the Transferee has manually signed and dated at least one of the forms   |
|  | Verify the Form has been date-time stamped   |
|  | Verify that the interest and commodity boxes have been checked   |
|  | Verify the Lease Number  |
|  | Verify the legal description on form matches legal description of lease  |
|  | Verify Percentage of Interest Owned by Transferor  |
|  | Verify that the form was filed within 90 days of execution by the transferor (If not, a full force and effect letter from transferor and transferee maybe be required) |
|  | Check status of lease. Lease terminated/expired? Rental/Royalty paid? If lease is held by production, request a bond adequacy review from the Field Office.            |
|  | Prepare Lease Interest worksheet   |
|  | Prepare transfer for signature by AO, Effective 1 <sup>st</sup> day of the month following date of filing  |
|  | Update LR2000  |

**LEASE INTEREST WORKSHEET**

**SERIAL NO. UTU123456**

**OPERATING RIGHTS ASSIGNMENT**

\_\_\_\_\_ 933 OPTG RTS ASGN APPROVED EFF \_\_\_\_\_;

\_\_\_\_\_ 557 TRF OPERATING RIGHTS WITHDRAWN

\_\_\_\_\_ 558 TRF OPERATING RIGHTS RETURNED UNAPPROVED

\_\_\_\_\_ % TO: \_\_\_\_\_ FROM: \_\_\_\_\_.

**RECORD TITLE HELD**

T. 12S, R. 28E., SLM&B  
Sec. 17: S2;  
Sec. 18: SE;  
Sec. 19: E2, NESW;  
Sec. 20: All.

**Record Title**

Peter's Oil Company 100%

1,480 acres  
Thompson County

**OPERATING RIGHTS HELD**

LAND LAW EXAMINER \_\_\_\_\_

DATE: \_\_\_\_\_.